

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 INR-10 CIAE-00 NSAE-00
AGRE-00 COME-00 FRB-01 TRSE-00 /032 W
-----101346 051807Z /44
R 041125Z AUG 78
FM AMEMBASSY OSLO
TO SECSTATE WASHDC 6261

UNCLAS OSLO 3753

E.O. 11652: N/A
TAGS: EFIN, ELAB, ETRD, NO
SUBJECT: ECONOMIC INDICATORS IN SMALLER OECD COUNTRIES

REF: (A) 76 STATE 270634; (B) 77 STATE 096318

1. FOLLOWING ARE ECONOMIC INDICATORS AVAILABLE JULY 31, 1978. TWELVE MONTH PERCENTAGE CHANGES ARE GIVEN IN PARENTHESIS. US \$1.00 EQUALS NORWEGIAN KRONER 5.30.

2.A. OUTPUT AND DEMAND

A.1. INDUSTRIAL PRODUCTION INDEX (SEASONALLY ADJUSTED, 1970 BASE). MAY: MANUFACTURING: 109 (-3.5). MINING, EXCLUDING OFFSHORE PETROLEUM: 106 (1.9). ELECTRIC POWER SUPPLY: 131 (5.6).

A.2. GNP. NO NEW DATA.

A.3. RETAIL TRADE INDEX (SEASONALLY CORRECTED, 1975 BASE). MAY: 133 (1.5).

A.4. OUTPUT OF IMPORTANT PRODUCTS. CRUDE PETROLEUM (METRIC TONS). MARCH: 1,482,181 (11.8).

3.B. PRICE INDICES.

B.1. CONSUMER PRICE INDEX (1974 BASE). JUNE 15: 143.1 (7.4).

B.2. WHOLESALE PRICE INDEX (1977 BASE). JUNE 15: 104 (4.3).

B.3. EXPORT PRICE INDEX (1970 BASE). NOVEMBER 1977-JANUARY 1978: 178 (7.2).

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4.C. FINANCES.

C.1. MONEY SUPPLY (MILLION KRONER) FIRST QUARTER: M1: 51,954 (7.3). M2: 121,325 (13.0). SOURCE: BANK OF NORWAY.

C.2. REPRESENTATIVE INTEREST RATE: NO NEW FIGURES.

C.3. OUTSTANDING CREDITS FROM COMMERCIAL AND SAVINGS BANKS TO PRIVATE AND LOCAL GOVERNMENT SECTORS (MILLION

KRONER). COMMERCIAL BANKS. APRIL 30: 41,049 (14.2).
MAY 31: 41,647 (14.0). SAVINGS BANKS. APRIL 30:
31,220 (13.6). MAY 31: 31,375 (13.0).
5.\$\$. GOVERNMENT FINANCES. NO NEW FIGURES.
6.E. LABOR MARKET.
E.1. SAMPLE STUDY OF EMPLOYMENT AND UNEMPLOYMENT.
FIRST QUARTER: EMPLOYMENT: 1,838,000 (2.0),
UNEMPLOYMENT: 31,000 (29.2). SECOND QUARTER:
EMPLOYMENT: 1,877,000 (2.3), UNEMPLOYMENT: 29,000 (-17.1).
E.2. WAGE INDEX FOR WORKERS IN MANUFACTURING
(1974 BASE): FIRST QUARTER: WOMEN: 168
(9.8), MEN: 162 (9.5).
7.F. TRADE AND PAYMENTS (MILLION KRONER).
F.1. EXPORTS: JUNE, INCLUDING NEW SHIPS: 6,304
(30.1), EXCLUDING SHIPS: 5,963 (26.6).
F.2. IMPORTS. JUNE, EXCLUDING SHIPS: 4,605 (-22.0).
F.3. FOREIGN TRADE VOLUME INDICES: EXPORTS, EXCLUDING
SHIPS: NOVEMBER 1977-JANUARY 1978: 145 (-3.3).
IMPORTS, EXCLUDING SHIPS: NOVEMBER 1977-JANUARY 1978:
149 (2.8).
F.4. TRADE WITH THE UNITED STATES: MAY: IMPORTS FROM
THE U.S., EXCLUDING SHIPS: 334 (33.6). U.S. SHARE:
6.2 (5.4). EXPORTS TO THE U.S., EXCLUDING SHIPS: 209
(15.5). U.S. SHARE: 5.3 (6.7).
F.5. CURRENT ACCOUNT (MILLION KRONER) JANUARY-APRIL
DEFICIT: 7,000 (-19.7). FINANCED BY: GOVERNMENT: 4,964.
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FINANCIAL INSTITUTIONS: -1,996. OTHERS (MAINLY OIL
AND SHIPPING) 1,495. STATISTICAL ERRORS AND OMISSIONS:
2,537.
F.6. NET FOREIGN EXCHANGE RESERVES AS OF APRIL 30:
11,909 (32.9).
8.G. INVENTORIES AND ORDERS: NO NEW FIGURES.
9. UNLESS OTHERWISE STATED THE SOURCE IS CENTRAL BUREAU OF
STATISTICS.
10. HIGHLIGHTS: RESULTS OF THE GOVERNMENT'S ECONOMIC AUSTERITY
POLICIES ARE BECOMING MORE VISIBLE. STOCKS OF GOODS PRODUCED
FOR HOME CONSUMPTION HAVE BEEN STABLE, WHILE STOCKS OF
EXPORT GOODS HAVE BEEN REDUCED.
HOWEVER, THE TREND IN PRODUCTION OF EXPORT GOODS
HAS BEEN WEAK, WHILE GROWTH WAS STRONGEST FOR PRODUCTION
OF INVESTMENT GOODS AND OF INPUT GOODS OTHER THAN FOR
BUILDING AND CONSTRUCTION. THE BALANCE OF TRADE SHOWS
A BETTER-THAN-EXPECTED IMPROVEMENT, ALTHOUGH LARGE IN-
CREASES IN OIL EXPORTS, AND THE OPENING OF THE FRIGG GAS
FIELD, HAVE GREATLY CONTRIBUTED TO EXPORTS.
CURTAILED DOMESTIC DEMAND HAS LED TO SUBSTANTIALLY
REDUCED IMPORTS. THE BANK OF NORWAY, IN A RECENT STUDY,
FORESEES CONTINUING POSITIVE CONSUMER AND WHOLESALE PRICE INDEX

DEVELOPMENTS. THE BANK STUDY SHOWS HOURLY WAGES IN MANUFACTURING TO BE 9.5 PERCENT HIGHER IN THE FIRST FIVE MONTHS OF THIS YEAR. PROVISIONAL ESTIMATES SUGGEST THAT WAGE DRIFT REMAINS STRONG, AMOUNTING TO 6.5 PERCENT IN THE FIRST QUARTER. HOWEVER, THE LABOR MARKET SEEMS TO BE LOOSENING -- SEASONALLY ADJUSTED UNEMPLOYMENT IS UP A BIT (TO 1 PERCENT), AND VACANCIES ARE DECLINING. FIRMS ARE NOW TENDING TO DISMISS EMPLOYEES RATHER THAN LAYING THEM OFF FOR TEMPORARY PERIODS. NEVERTHELESS, THE GOVERNMENT HOPES TO HOLD OFFICIAL UNEMPLOYMENT UNDER 1.2 PERCENT (THE AVERAGE LEVEL FOR 1975 AND 1976).
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